

Sent to [redacted] 11 May

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28 April 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Truth in Lending Act Amendments (S. 823; H.R. 16340)

1. In conjunction with the Office of Security, it was determined that the above bills would somewhat impair existing programs for getting credit information on Industrial Contractor employees and individuals who are the subject of Agency covert investigations. Credit information relates to the "suitability" determination of DCID 1/14.

2. While Security does not believe these problems warrant a major effort by the Agency to oppose the bill, they feel it would be helpful if the bill authorized Federal agencies to obtain credit information on non-Federal employees who may require access to classified information.

3. In our efforts to collect information from other Federal agencies as to their views on the bill, we learned that DOD, facing a similar problem with respect to contractor employees, was not taking any action and that the Department of Justice was proposing a full exemption for all Federal agencies.

4. On 9 April we learned indirectly that the House Subcommittee would not grant the exemption but views Section 34(b) as enlarging the opportunities for Federal agencies to obtain credit information. Section 34(b) recognizes the legitimate need for "(3) determining an individual's eligibility for employment, promotion, reassignment, or retention." It could be reasonably argued that in connection with "reassignment" our needs in the case of contractor employees could be satisfied and the Office of Security has been requested to review the provision in that light.

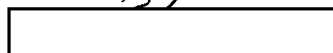
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5. If either bill is enacted there may be an impairment of existing security programs. However, while credit bureaus may dry up as a source of information, credit information is obtainable in other, probably more costly, ways. The Department of Justice is leading the fight for an exemption which would cover us and the best interests of the Agency would not be served by getting out in front of this "political-domestic policy issue" with Representative Wright Patman's (D., Tex.) Committee.



Assistant Legislative Counsel

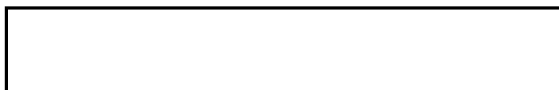
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